

supplementing this section. Copies are available upon request.

[Guide 11]

§245.12 Commercial bribery.

Members of the industry should not give, offer to give, or permit or cause to be given, directly or indirectly, money or anything of value to employees or agents of customers or prospective customers, without the knowledge of their employers or principals, as an inducement to influence or cause their employers or principals to purchase or contract to purchase the products of such industry members, or to refrain from purchasing products from competitors of such members. [Guide 12]

§245.13 Coercing purchase of one product as a prerequisite to the purchase of other products.

Members of the industry should not coerce a customer or prospective customer to purchase one or more products as a prerequisite to the purchase of one or more other products, where the effect may be substantially to lessen competition, or tend to create a monopoly or to unreasonably restrain trade. [Guide 13]

§245.14 Misrepresentation of the character and size of business, extent of testing, etc.

Industry members should not falsely represent, directly or indirectly, in company, brand, or trade name, or in advertising, labeling or otherwise:

- (a) The length of time they have been in business;
- (b) The extent of their sales;
- (c) Their rank in the industry as producers or distributors of a product or type of product;
- (d) That they are manufacturers of industry products or own or control a factory engaged in the manufacture of such products;
- (e) That they own or operate a laboratory, or that their products have been tested in any particular manner or for any period of time, or with any particular results;
- (f) That a product or manufacturing process is new or exclusive; or
- (g) Any other material aspect of their business or products. [Guide 14]

§245.15 Guarantees, warranties, etc.

(a) Industry members should not represent in advertising or otherwise that a product is "guaranteed" without clear and conspicuous disclosure in close conjunction with such representation of:

- (1) The nature and extent of the guarantee, and
- (2) Any material conditions or limitations in the guarantee which are imposed by the guarantor, and
- (3) The manner in which the guarantor will perform thereunder, and
- (4) The identity of the guarantor.

(b) A seller or manufacturer should not advertise or represent that a product is guaranteed when he cannot or does not promptly and scrupulously fulfill his obligations under the guarantee.

(c) A specific example of nonperformance of an obligation under the guarantee would arise in connection with the use of the phrase, "Satisfaction or your money back" if the guarantor does not promptly make a full refund of the purchase price upon request, irrespective of the reason for such request.

(d) Guarantees should not be used which under normal conditions are impractical of fulfillment or which are for such a period of time or are otherwise of such nature as to have the capacity and tendency of misleading purchasers or prospective purchasers into the belief that the product so guaranteed has a greater degree of serviceability, durability or performance capability in actual use than is true in fact.

(e) This section has application not only to "guarantees" but also to "warranties", to purported "guarantees" and "warranties", and to any promise or representation in the nature of a "guarantee" or "warranty."

NOTE: The Commission's April 26, 1960, Guides Against Deceptive Advertising of Guarantees furnish additional guidance respecting guarantee representations and are to be considered as supplementing this section. Copies are available upon request.

[Guide 15]

§245.16 Use of the word "free".

In connection with the sale, offering for sale, or distribution of industry products, industry members should not